

ASX/MEDIA RELEASE 29th October 2014

GIPPSLAND BASIN UPDATE

SIGNIFICANT INCREASE IN RECOVERABLE PROSPECTIVE RESOURCE

Bass Strait Oil Company Ltd (**ASX: BAS**) (“**BAS or the Company**”) is pleased to advise that it has now conducted a detailed re-interpretation of its mapping of the Nomb 3D seismic dataset allowing determination of the prospective resource estimates. The best estimate prospective resource has increased significantly across the mapped prospects in Vic/P41 and Vic/P68.

Highlights:

- **Best estimate prospective resource increases by over 60 %**
- **A total best estimate of 1,197 Bcf (unrisked) is mapped across Vic/P41 and Vic/P68**
- **The Kipling, Kipling West and Benchley prospects are each of significant size thereby providing confidence that exploration success could lead to development.**
- **The prospects lie in conventional water depths of less than 200m.**
- **The recently announced permit extension in Vic/P41 allows Company time to finalise drill ready prospect(s) and undertake the activities necessary prior to commencement of exploration drilling.**
- **Formal farm-out activities to commence.**

Prospective Resource Update.

The superior resolution of the Nomb 3D dataset has allowed detailed analysis of the Rosedale Fault System, pinch-out of the Golden Beach Subgroup reservoir and the extent of the volcanic top seal. The revised prospective resource estimates are provided in Table 1 below.

GIPPSLAND BASIN						
Prospect	Recoverable Prospective Resources					
	Low Estimate		Best Estimate		High estimate	
	Gas (Bcf)	Liquids (mmbbl)	Gas (Bcf)	Liquids (mmbbl)	Gas (Bcf)	Liquids (mmbbl)
Kipling	242	9	410	20	644	30
Kipling West	244	11	322	15	595	29
Benchley	247	12	413	19	623	30
Stanton	41	2	52	3	66	3
TOTAL	774	34	1,197	57	1,928	92

Table 1 – Prospective Resource¹ (unrisked)

Previously the Company had estimated a total prospective resource of:

- Low 507 Bcf, 24 mmbbl liquids
- Best 740 Bcf, 35 mmbbl liquids
- High 2,279 Bcf, 109 mmbbl liquids

The mapping of the Nomb 3D dataset has resulted in a 53 % increase in the low estimate and 62 % increase in the best estimate of prospective resources across the two permits. As expected, the high estimate has been constrained slightly with the improvement of the data.

¹ **Prospective Resource Estimates Cautionary Statement:** With respect to the prospective resource estimates contained within this report, it should be noted that the estimated quantities of Petroleum that may potentially be recovered by the future application of a development project may relate to undiscovered accumulations. These estimates have an associated risk of discovery and risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbon.

Importantly, the low and best estimate of prospective resource in each of the mapped prospects (excluding Stanton²) is likely to represent a commercial development upon exploration success.

VIC/P41 and VIC/P68 mapped prospects.

As announced earlier, reprocessing and merging of multiple 3D seismic surveys and selected Quantitative Inversion (QI) including 655 square km within the Vic/P41 and Vic/P68 permits has been completed. This data has allowed the Company to confidently differentiate the Kipling, Kipling West and Benchley prospects.

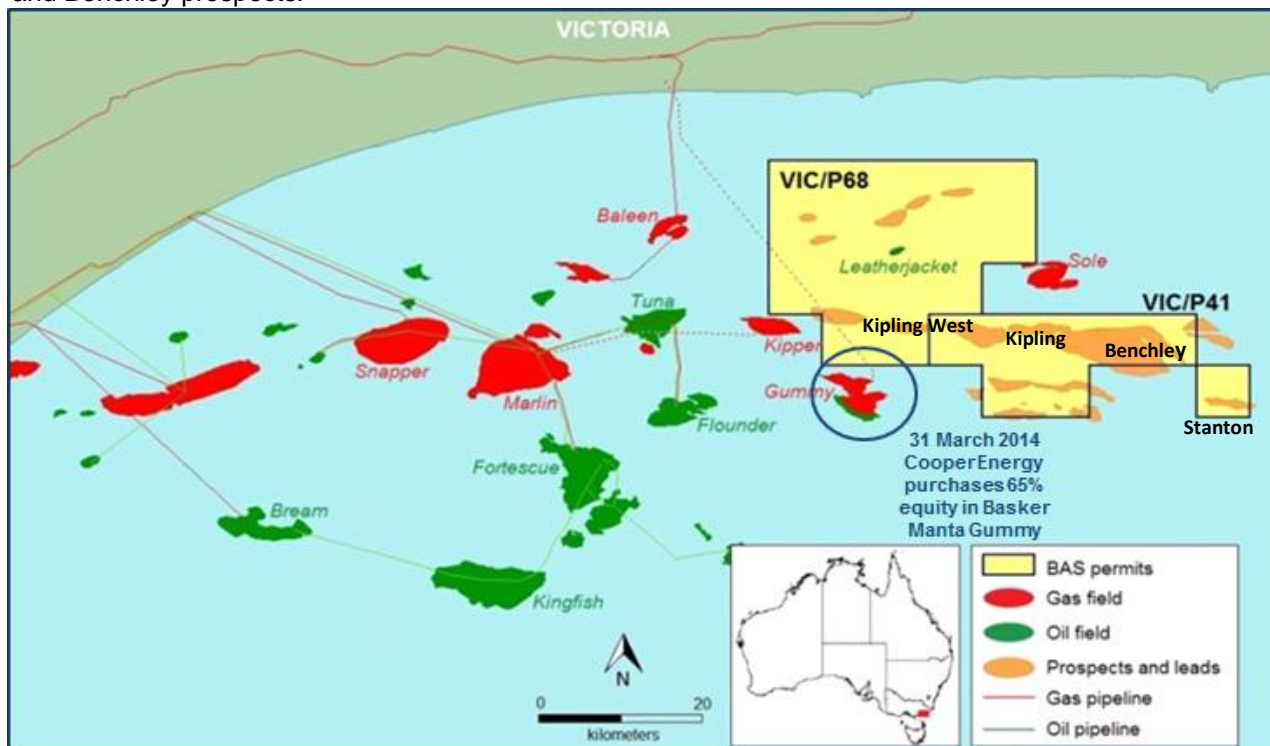


Figure 1. Vic/P41 and Vic/P68 location

Joint Venture partners in Vic/P41 are:

Bass Strait Oil Company Limited (ASX code BAS)	64.565% (Operator)
Oil Basins Limited (ASX code OBL)	17.935%
Shelf Oil Pty Ltd (OBL's 100% owned subsidiary)	17.5%

Bass Strait Oil Company holds a 100% interest in Vic/P68.

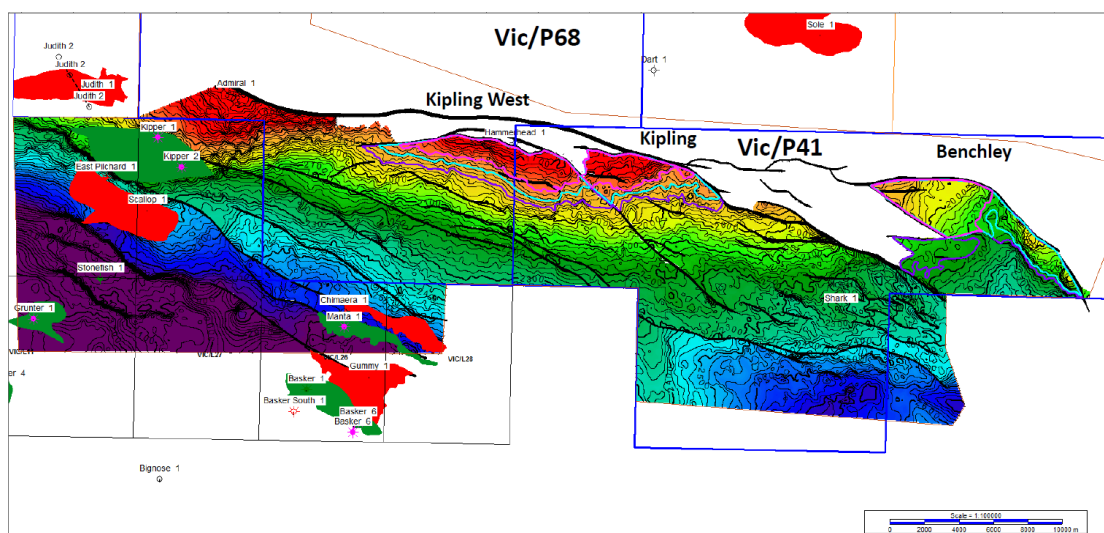


Figure 2. Nomb 3D Top Campanian Depth Grid

² The Stanton prospect is not covered by the Nomb 3D seismic dataset and is as per previously mapped.

Kipling Prospect

The Kipling prospect is a faulted pinch-out closure against the Rosedale Fault System with Golden Beach Subgroup sandstone reservoirs top sealed by Campanian volcanics. Cross-fault and lateral seal is provided by the Emperor Subgroup.

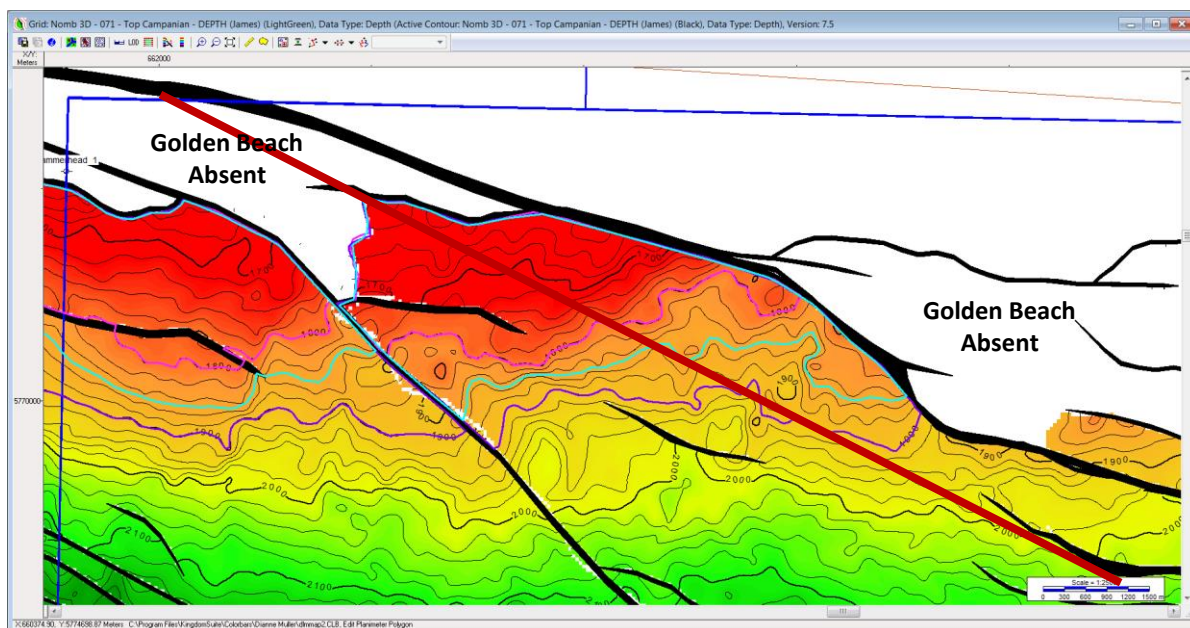


Figure 3. Kipling Prospect Top Campanian Depth Map

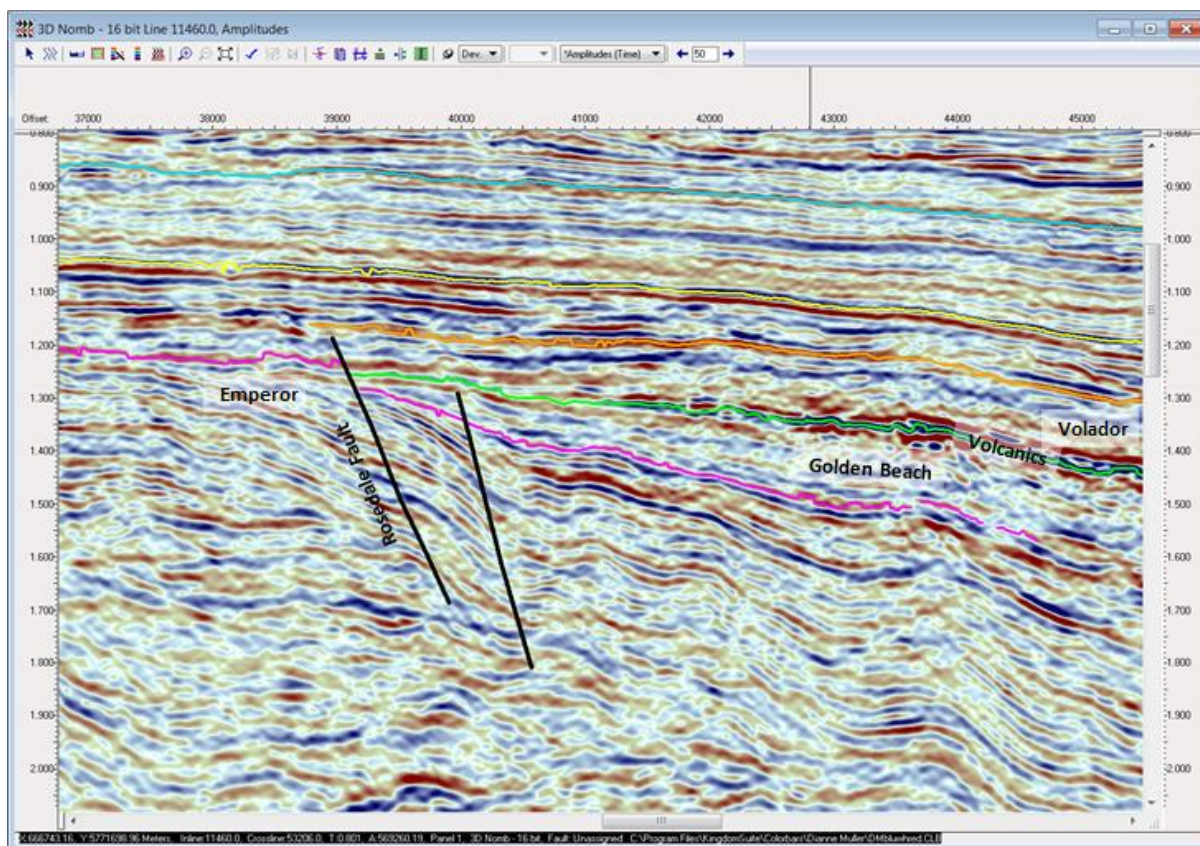


Figure 4. Kipling Prospect Seismic Line, Location in red on Figure 3

Kipling West Prospect

Kipling West is a fault closure against a splay of the Rosedale Fault System with Golden Beach Subgroup sandstone reservoirs top sealed by Campanian volcanics. Cross-fault seal is provided by the Emperor Subgroup. The Hammerhead-1 well did not intersect the Golden Beach Subgroup whatsoever having drilled into a splay of the Rosedale Fault system. The Admiral-1 well is an invalid test of the play having no structural closure.

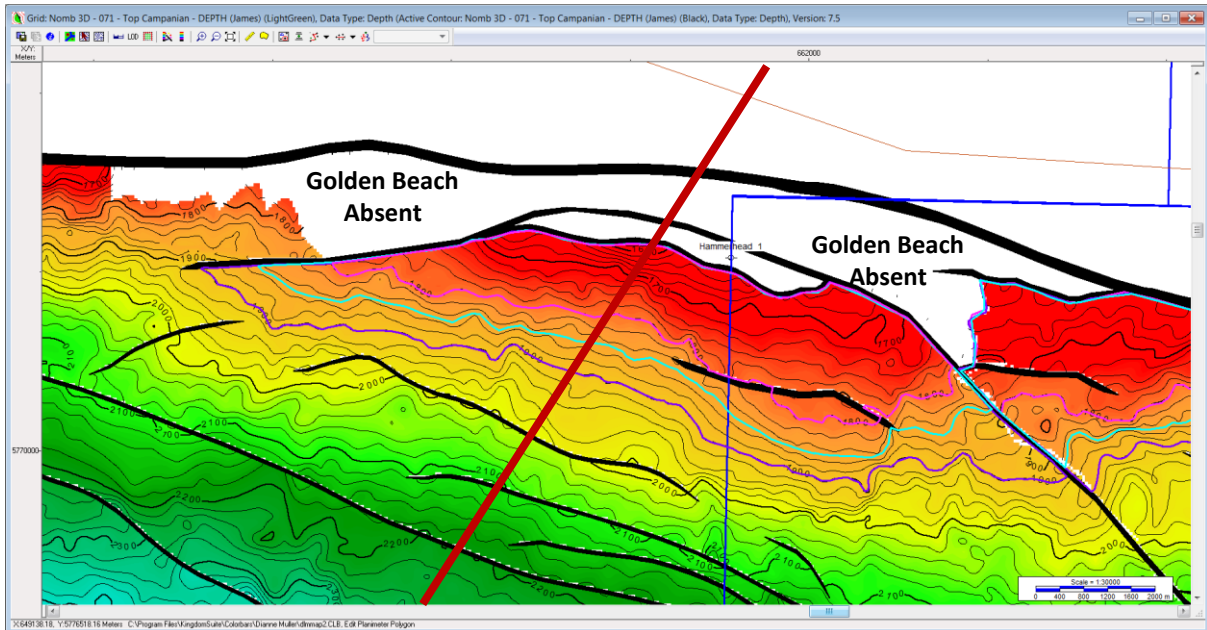


Figure 5. Kipling West Prospect Top Campanian Depth Map

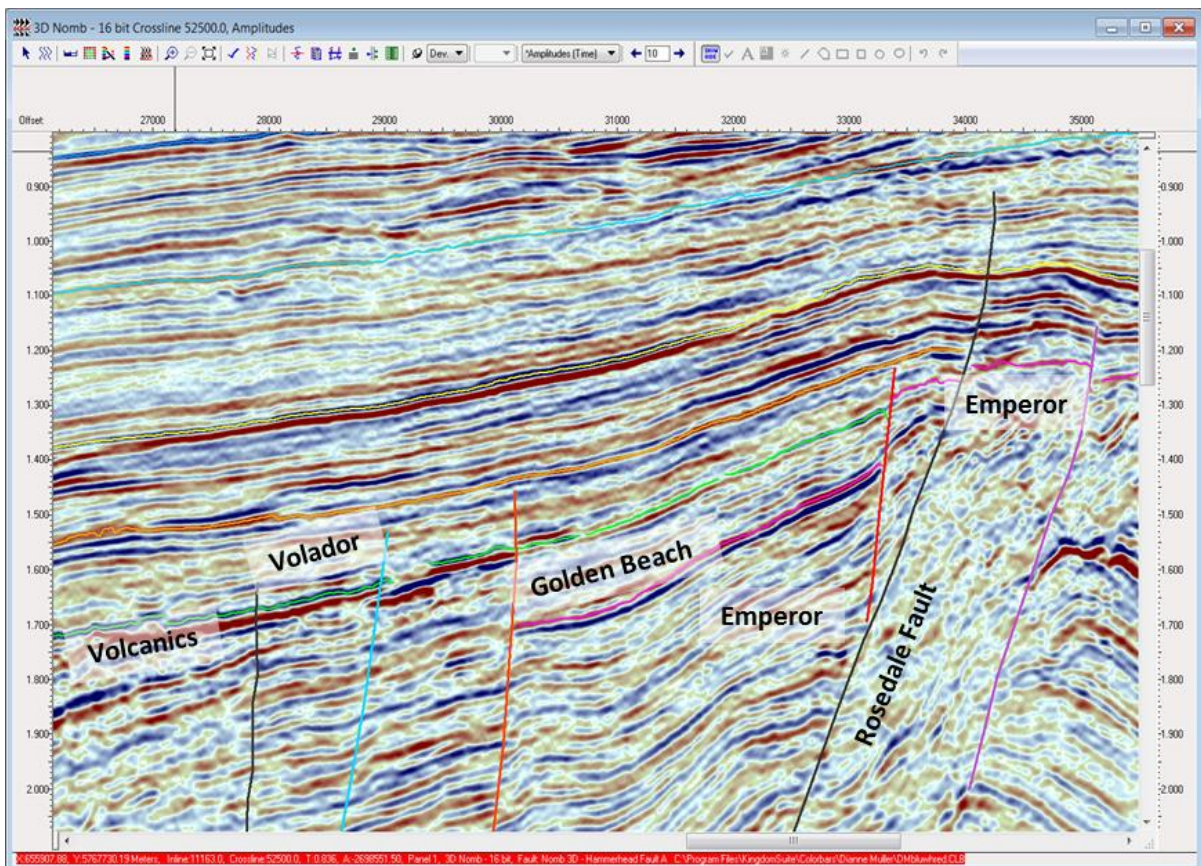


Figure 6. Kipling West Prospect Seismic Line, Location in red on Figure 5

Benchley Prospect

The Benchley prospect is a faulted pinch-out closure against the Rosedale Fault System with Golden Beach Subgroup sandstone reservoirs top sealed by Campanian volcanics. Lateral and cross fault seal is provided by the Emperor Subgroup.

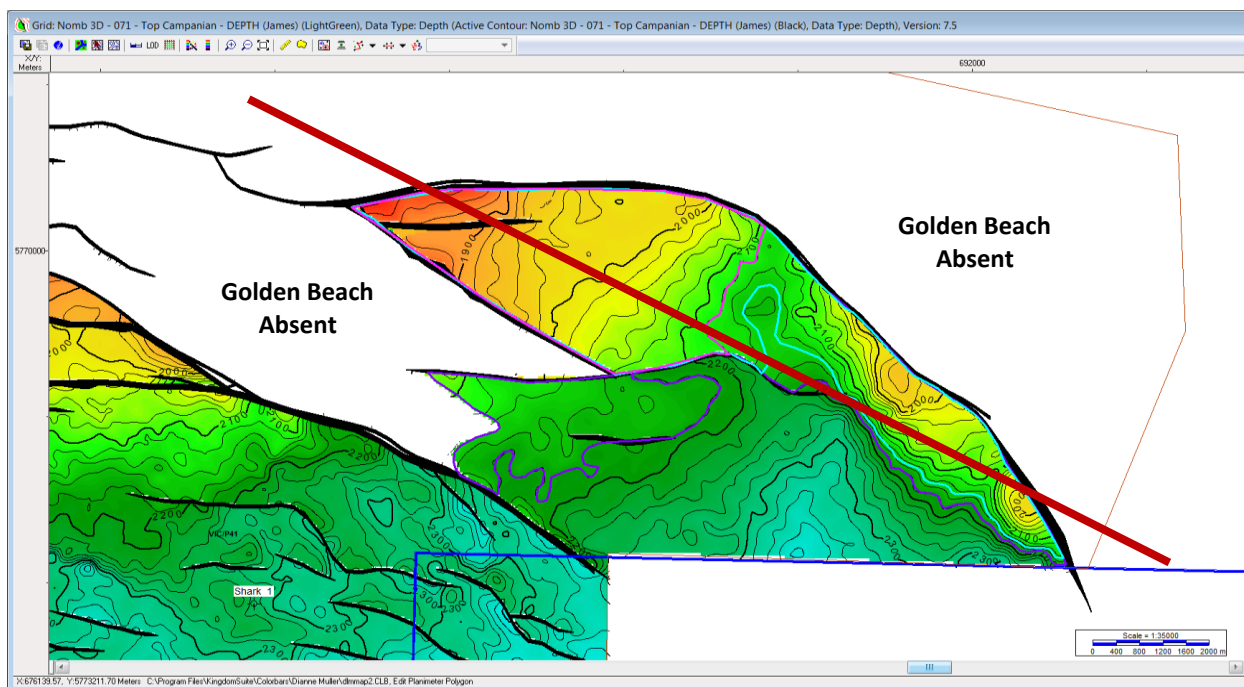


Figure 7. Benchley Prospect Top Campanian Depth Map

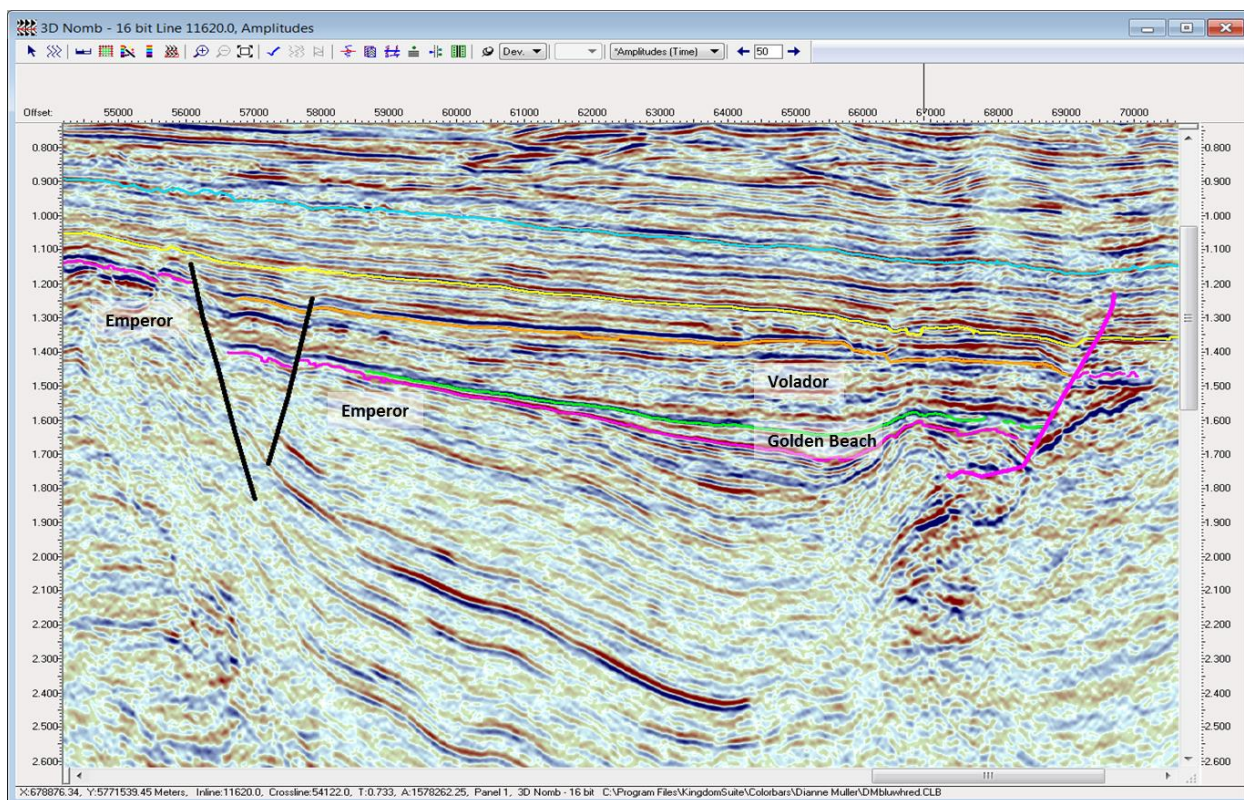


Figure 8. Benchley Prospect Seismic Line, Location in red on Figure 7

Farm-out of VIC/P41 and Vic/P68

With a best case prospective resource of circa 1.2 Tcf wet gas coupled with the nearby existing infrastructure and recent significant increase in the east coast gas prices, all the required factors are combining to make this a highly attractive farmin opportunity.

The Company plans to commence formal farm-out activities in early November and remains in early discussions with potential international partners. The interpretation of the Nomb 3D seismic dataset along with the updated recoverable prospective resources in the Kipling, Kipling West and Benchley prospects provides confidence that the Company is well placed to undertake a successful farm-out campaign.

The recently announced extension to the Year 3 work program in Vic/P41 affords the Company sufficient time to professionally complete all activities needed to prepare for exploration drilling including the identification and capture of a partnership across the Company's Gippsland basin portfolio.



Steve Noske
Chief Executive Officer
29th October 2014

Prospective Resources: The prospective resource estimates regarding VIC/P41 and VICP68 prospects quoted in this release are prepared as at 24th October 2014. The estimates have been prepared by the Company in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2007 approved by the Society of Petroleum Engineer and are 100% interest deterministic estimates.

Competent Person Statement: This report contains information on petroleum resources which is based on and fairly represents information and supporting documentation prepared by Ms. Dianne Muller who is a consultant to Bass Strait Oil Company, is a member of the American Association of Petroleum Geologists and a qualified Petroleum Reserves and Resources evaluator in accordance with ASX listing rule 5.41 and has consented to the inclusion of this information in the form and context in which it appears.